

institution maintains its home office shall designate a state other than the state where the institution maintains its home office as the institution's principal place of business, provided all of the following criteria are satisfied:

(i) At least 80 percent of the institution's accounting books, records and ledgers are maintained, located or held in such designated state;

(ii) A majority of meetings of the institution's board of directors and constituent committees are conducted in such designated state; and

(iii) A majority of the institution's five highest paid officers have their place of employment located in such designated state.

(2) Written notice of a designation made pursuant to paragraph (c)(1) of this section shall be sent to the Bank in the district containing the designated state, the Board and the institution.

(3) The notice of designation made pursuant to paragraph (c)(1) of this section shall include the state designated as the principal place of business and the resulting Bank to which membership will be transferred.

(4) If the board of directors of the Bank in the district where the institution maintains its home office fails to make the designation requested by the member or applicant pursuant to paragraph (c)(1) of this section, then the member or applicant may request in writing that the board make the designation.

(d) *Transfer of membership.* (1) No transfer of membership from one Bank to another Bank shall take effect until the Banks involved reach agreement on a method of orderly transfer.

(2) In the event that the Banks involved fail to agree on a method of

orderly transfer, the Board shall determine the conditions under which the transfer shall take place.

(e) *Effect of transfer.* A transfer of membership pursuant to this section shall be effective for all purposes including directorial representation under section 7(c) of the Act, 12 U.S.C. 1427(c), and § 932.11 of this chapter, but shall not be subject to the provisions on termination of membership set forth in section 6 of the Act, 12 U.S.C. 1426, or §§ 933.26, 933.27 and 933.29 of this part, including the restriction on reacquiring Bank membership set forth in § 933.30 of this part.

8. In the list below, for each section indicated in the left column, remove the reference indicated in the middle column from where it appears and add the reference indicated in the right column:

Section	Remove	Add
933.20(b)(1)	§§ 933.2(c) or 933.3	§ 933.3
933.20(b)(2)	§ 933.2(d)	§ 933.4(a)
933.22(b)(1)	§ 933.2(d)	§ 933.4(a)
933.23	§ 933.7(a)	§ 933.20(a)
933.24(a)(2)	§ 933.18(d)	§ 933.31(d)
933.24(b)(2)	§ 933.7(a)	§ 933.20(a)
933.25(c)	§ 933.7(a)	§ 933.20(a)
933.25(d)(2)(ii) (A) and (B)	§ 933.16	§ 933.29
933.25(d)(3)	§ 933.2	Subpart B
933.26(c)	§ 933.7(a)	§ 933.20(a)
933.27(e)	§ 933.16	§ 933.29
933.28(b)	§ 933.16	§ 933.29
933.29(a)(1)	§ 933.16	§ 933.29
933.30 introductory text	§§ 933.13, 933.14 or 933.15	§§ 933.26, 933.27 or 933.28
933.30(a)	§§ 933.11(b) or 933.12(d)(3)	§§ 933.24(b) or 933.25(d)(3)
933.30(b)	§ 933.13	§ 933.26
933.31(d)	§ 933.5	§ 933.18
	§ 933.2(d)	§ 933.4(a)
	§ 933.9(b)(1)	§ 933.22(b)(1)

Dated: October 5, 1995.

By the Federal Housing Finance Board.

Bruce A. Morrison,

Chairman.

[FR Doc. 95-25823 Filed 10-26-95; 8:45 am]

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Public and Indian Housing

24 CFR Part 882

[Docket No. FR-3709-C-02]

RIN 2577-AB48

Section 8 Moderate Rehabilitation; Rent Adjustments; Annual and Special Adjustments; Comparability Studies; Rent Reductions; Technical Correction

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Proposed rule; technical correction.

SUMMARY: On October 2, 1995 (60 FR 51658), HUD published a proposed rule

that would revise the current regulations on adjusting Section 8 Moderate Rehabilitation Contract Rents. The rule proposed to modify the method used by Public Housing Agencies (PHAs) to determine the amount of the annual increase in the Contract Rents by providing for PHAs to conduct comparability studies for Moderate Rehabilitation projects to prevent the application of the Annual Adjustment Factors from resulting in a material difference between rents charged for assisted units and similar unassisted units.

The purpose of this document is to correct certain technical errors that appeared in the October 2, 1995 proposed rule.

DATES: Comment Due Date: December 1, 1995.

ADDRESSES: Interested persons are invited to submit comments regarding this proposed rule to the Rules Docket Clerk, Office of General Counsel, room 10276, Department of Housing and Urban Development, 451 Seventh Street SW, Washington, DC 20410. Communications should refer to the above docket number and title. Facsimile (FAX) comments are not acceptable. A copy of each communication submitted will be available for public inspection and copying during regular business hours.

FOR FURTHER INFORMATION CONTACT: Madeline Hastings, Rental Assistance Division, Room 4226, Department of Housing and Urban Development, 451 Seventh Street SW, Washington, D.C. 20410; telephone (202) 708-2841 (voice) or (202) 708-4594 (TDD). (These are not toll free numbers.)

SUPPLEMENTARY INFORMATION: On October 2, 1995 (60 FR 51658), HUD published a proposed rule that would revise the current regulations on adjusting Section 8 Moderate Rehabilitation Contract Rents. The rule proposed to modify the method used by Public Housing Agencies (PHAs) to determine the amount of the annual increase in the Contract Rents by providing for PHAs to conduct comparability studies for Moderate Rehabilitation projects to prevent the application of the Annual Adjustment Factors from resulting in a material difference between rents charged for assisted units and similar unassisted units.

The proposed rule also provides a substitute method of determining the initial difference between Moderate Rehabilitation rents and rents charged for comparable unassisted units, if the PHA failed to establish the amount of the difference when the initial Contract Rents were determined. Additionally, the proposed rule provides, subject to the availability of appropriations, for special adjustments when an exemption from real property tax expires under certain circumstances, and insurance to the categories of cost increases that may result in a special adjustment.

The October 2, 1995 proposed rule would be applicable to all projects which are currently, or will be in the future, under a Section 8 Moderate Rehabilitation Housing Assistance Payments (HAP) Contract, as provided in the regular Section 8 Moderate Rehabilitation Program, and the Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program for Homeless Individuals.

The purpose of this document is to correct certain technical errors that

appeared in the October 2, 1995 proposed rule.

Technical Corrections to October 2, 1995 Proposed Rule

Corrections to the Preamble. In the preamble to the proposed rule, under the discussion in Section B on Comparability Studies, which begins at the bottom of page 51658, HUD notes in the last paragraph of this section (page 51659, first column) that: "The rule also would provide that Contract Rents will never be reduced as a result of a comparability study." The word "never" also should have been inserted in the last sentence of the first full paragraph, first column of that page. The last sentence of the first paragraph should read: "However, the Contract Rent would never be reduced below its current level based upon the comparability study."

In the second full paragraph of the first column on page 51659, a phrase was inadvertently omitted from the first sentence pertaining to monthly rehabilitation debt service. The first sentence should have read as follows: "A material difference between the assisted and comparable unassisted rents exists if the adjusted base rent plus any amount attributable to the monthly rehabilitation debt service is greater than the maximum allowable Contract rent plus any amount attributable to an initial difference."

In the second sentence of that same second paragraph, the word "contract" rather than "base" should have been inserted in between the words "allowable" and "rent" so that it reads as follows: "The maximum allowable Contract rent is a dollar amount equal to 105 percent of the comparable rent."

Corrections to Regulatory Text. Two corrections need to be made to the text of the regulation, and both corrections involve substituting the word "contract" for "base." This correction needs to be made in the last sentence of § 882.410(b)(1) and in the last clause of § 882.410(c)(3).

Accordingly, the foregoing corrections are made by this document.

List of Subjects in 24 CFR Part 882

Grant programs—housing and community development, Homeless, Lead poisoning, Manufactured homes, Rent subsidies, Reporting and recordkeeping requirements.

Accordingly, FR Doc. 95-24368, Section 8 Moderate Rehabilitation; Rent Adjustments; Annual and Special Adjustments; Comparability Studies, Rent Reductions, Proposed Rule, published on October 2, 1995 at 60 FR 51658 is corrected as follows.

1. On page 51659, in the preamble, in column one, under item B., the last sentence of the first full paragraph beginning with "Under the proposed rule, when the application of the AAF to the base rent, * * *", and the second full paragraph, are corrected to read as follows:

B. Comparability Studies

* * * * *

Under the proposed rule, when the application of the AAF to the base rent, * * *. However, the Contract Rent would never be reduced below its current level based upon the comparability study.

A material difference between the assisted and comparable unassisted rents exists if the adjusted base rent plus any amount attributable to the monthly rehabilitation debt service is greater than the maximum allowable Contract rent plus any amount attributable to an initial difference. The maximum allowable Contract rent is a dollar amount equal to 105 percent of the comparable rent.

* * * * *

2. On page 51661, in column one, in § 882.410, paragraphs (b)(1) and (c)(3) are corrected, to read as follows:

§ 882.410 Rent adjustments.

* * * * *

(b) *Overall limitation.* (1) Notwithstanding any other provisions of this part, adjustments as provided in this section must not result in material differences between the rents charged for assisted and unassisted units of similar age, quality, and type in the same market area, as determined by the PHA (and approved by HUD in the case of adjustments under paragraph (d) of this section). A material difference between the assisted and comparable unassisted rent is determined to exist if the adjusted Contract rent is greater than the maximum allowable Contract rent plus any difference which may have existed initially. The maximum allowable Contract rent is a dollar amount equal to 105 percent of the comparable rent.

* * * * *

(c) * * *
(3) If the Contract rent, adjusted by the AAF, plus the utility allowance, is 110 percent or more of the current Existing Housing FMR or if an exception rent limit (if granted for a geographical area in accordance with § 882.408(b)), the PHA will conduct a comparability study to determine and approve an adjusted Contract rent that is not materially different from rents charged for comparable unassisted units.

* * * * *

Dated: October 20, 1995.

Kevin Emanuel Marchman,
Deputy Assistant Secretary for Distressed and
Troubled Housing Recovery.

[FR Doc. 95-26659 Filed 10-26-95; 8:45 am]

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POSTAL RATE COMMISSION

[Docket No. RM95-4, Order No. 1084]

39 CFR Part 3001

Rules of Practice and Procedure

AGENCY: Postal Rate Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commission is proposing amendments to its rules of practice and procedure that would facilitate expedited consideration of requests of the United States Postal Service to: Conduct market tests of new postal services in order to develop information necessary to support a permanent mail classification change; adopt, on a provisional basis, mail classification and associated rate changes that supplement, but do not alter, existing rates and mail classifications; and adopt permanent but narrowly focused mail classification changes that supplement, but do not alter, existing rates and mail classifications. In addition to these amendments, the Commission is proposing a rule that would allow the Postal Service to use a multi-year test period for the purpose of demonstrating the financial viability of potential new services that are the subject of a concurrent Postal Service request.

DATES: Comments must be submitted on or before December 26, 1995.

ADDRESSES: Comments and correspondence should be sent to Margaret P. Crenshaw, Secretary of the Commission, 1333 H Street NW, Suite 300, Washington, DC 20268-0001 (telephone: 202/789-6840).

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, Legal Advisor, Postal Rate Commission, 1333 H Street NW, Suite 300, Washington, DC 20268-0001 (telephone: 202/789-6820).

SUPPLEMENTARY INFORMATION: On April 24, 1995, the Commission issued an Advance Notice of Proposed Rulemaking in response to a petition submitted by the United States Postal Service. The Postal Service's petition, filed April 13, 1995, asked the Commission to initiate a rulemaking with a view to adopting new procedural rules applicable to seven ratemaking and mail classification topics, for the purpose of facilitating expedited consideration and review of Postal

Service requests in those areas. For the most part, the rules proposed in the Postal Service's petition pursue specific recommendations of the Joint Task Force on Postal Ratemaking.¹ The Commission summarized the Postal Service's seven proposed rules and solicited the views of interested parties on the draft rules and six other topics in the Advance Notice. 60 FR 22017-19 (May 4, 1995).

The Commission received 21 sets of comments in response to the Advance Notice.² In addition to their views on the merits of the Postal Service's proposed rules, several parties submitted that it would be inappropriate to go forward with the requested rulemaking in light of the current focus on mail classification reform and the parties significant commitment of resources in Docket No. MC95-1. In contrast, the Postal Service commented that it sees no utility in deferring consideration of any of its proposed rules, and that simultaneous consideration of all of them is warranted.

The Commission concurs in the Postal Service's initiative "to reopen the dialogue over administrative reform to a new chapter, and to focus on procedural changes designed to provide more expedition and flexibility." Petition of United States Postal Service to Initiate Rulemaking, April 13, 1995, at 5. However, the Commission is also mindful of the current workload imposed on all those involved in Docket No. MC95-1 and mail classification reform generally, and is disinclined to occasion additional efforts now without a realistic prospect of procedural enhancements in the near term. An additional consideration, which the Postal Service acknowledges in its petition, is the existence of potential legal impediments to implementing at least some of the concepts recommended by the Joint Task Force.

In view of these competing considerations, the Commission has

¹ See Postal Ratemaking in a Time of Change: A Report by the Joint Task Force on Postal Ratemaking (June 1, 1992).

² The Association of American Publishers, American Bankers Association, American Business Press, Air Courier Conference of America, Advo, Inc., Advertising Mail Marketing Association, Direct Marketing Association, Inc., Dow Jones & Company, Inc., Federal Express Corporation, Florida Gift Fruit Shippers Association, McGraw-Hill Companies, Inc., Major Mailers Association, Mail Order Association of America, Magazine Publishers of America, National Newspaper Association, Newspaper Association of America, the Commission's Office of the Consumer Advocate, Quality Letter Service, Inc., Time Warner Inc., United Parcel Service, and the United States Postal Service submitted comments in response to the Advance Notice.

determined to promulgate draft rules which would implement a majority, but not all, of the Postal Service's seven procedural initiatives. Specifically, the Commission has drafted proposed rules for application in the areas of market tests, provisional new services, minor changes in permanent mail classifications, and multi-year financial test periods for new services. At this point, these initiatives appear to hold the greatest promise for procedural improvement in the near term. The Commission will endeavor to pursue the remaining initiatives, which appear to present somewhat greater challenges under the Postal Reorganization Act as currently interpreted, in subsequent proceedings.

Market tests of potential new services.

While one commenter, United Parcel Service, disputes the necessity of adopting a market test rule, the Joint Task Force Report correctly observes that there is no "well-worn path" in Commission procedure for obtaining information that could shed light on the prospects of potential service innovations through limited testing in the marketplace. Sections 67 through 67d of the current rules of practice (39 CFR 3001.67 through .67d) establish procedures for considering mail classification requests that the Postal Service denominates as "experimental" in character. However, this pre-existing mechanism may not be the most efficient and effective way to facilitate market testing, as the Postal Service has commented. The Commission agrees with the Postal Service and the Governors that it would be useful to explore new procedures explicitly designed for limited market tests that would enable the Service to gain "real world" experience with innovative services, and that would at the same time generate information needed to support recommendation of such services as permanent mail classifications. Employing these procedures within the larger context of an ongoing proceeding to consider a Postal Service request for a permanent classification change would also assist in establishing the objectives of market tests and defining their reasonable limits.

The Postal Service's proposed market test rules would apply to requests which seek "changes in rates or mail classification preceded by testing in the market in order to develop information necessary to support a permanent change." Proposed 39 CFR 3001.121. Insofar as the Postal Service has proposed rules that would apply to requests for expedited market tests of changes in existing rates only,